

NSC BRIEFING

4 May 1958

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SOUTH VIETNAM

- I. Dilemma for Diem is to retain support of fire-eating "revolutionary nationalists" while maintaining working relationship with French and perhaps Bao Dai.
- II. French officials stress "Bolshevik" orientation of Peoples Revolutionary Committee which sprang up amid fighting and gave support to Diem.
 - A. Allegations that revolutionary committee Communist-influenced so far unsubstantiated.
 - B. Two or three members reportedly worked with Viet Minh some time before 1952, but current orientation consistently anti-Communist.
 - C. Appears to be instrument of political aspirations of Cao Dai and Hoa Hao elements who have remained loyal to government.
- III. Diem unwilling to repudiate committee because:
 - A. Its strongly anti-French, anti-Bao Dai line provides him political lever in dealing with French and Bao Dai.
 - B. Its propaganda has great appeal for Vietnamese.
 - C. Loyal sect elements represented in it account for about 19,000 troops.

1. Not clear how recent death in battle of Cao Dai general Trinh Minh The will affect loyalty
his forces

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IV. Diem nevertheless favors more moderate approach to French and Bao Dai.

- A. Both Diem and the French are agreed that trouble between them can only aid the Viet Minh, but embassy has been unable to effect reconciliation.
- B. Diem wants certain commitments from French--that they dissociate themselves from Binh Xuyen and expel Binh Xuyen contingents from positions in French sector--as condition for his curbing anti-French feeling.
- C. Ely, is unresponsive, pictures Diem as anti-French fanatic on whom all blame for bloodshed rests; says Binh Xuyen can leave French sector whenever they want to.
- D. Diem strategy is to convoke congress of some 1,000 representatives, ask them for mandate, thus bypassing Bao Dai problem and curbing extremist elements.
- E. In pinch, Diem could probably rely on army to prevent seizure of power by revolutionary committee.

V. Meanwhile, only cleanup operations left in fight against Binh Xuyen.

- A. Binh Xuyen reportedly will attempt to hold out about 10 miles south of Saigon.
- B. If driven from there, will retreat to coastal area.
- C. Our army attaché rates VNA performance very satisfactory.

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